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Strengthening the security and safety of United Nations premises

Tenth report of the Advisory Committee on Administrative and Budgetary Questions*

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on strengthening the security and safety of United Nations premises (A/56/848), which contains supplementary programme budget proposals under sections 16, 17, 19, 20, 27C-G, 30, 31 and 32 and income section 1 of the programme budget for the biennium 2002-2003. The supplementary budget requests are pursuant to United Nations financial regulations 3.8 and 3.9 and relate to the implementation of the proposed measures to strengthen the security and safety of United Nations premises. During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information.

2. The report of the Secretary-General contains cost estimates for the long-term strengthening of security and safety based on a comprehensive review of arrangements at Headquarters and other main locations, supplemented by findings of security assessment missions to the United Nations Office at Nairobi and the regional commissions. The total cost estimates under the regular budget amount to $57,785,300 (net of staff assessment).

3. As indicated in the report (A/56/848, para. 44), the additional requirements of $57,785,300 are over and above the related provisions for security already approved in the programme budget for the 2002-2003 biennium. In this connection, the Advisory Committee notes that the most immediate short-term specific needs were

* The subject matter of the present report was not initially on the agenda of the Committee during its winter meetings, which are convened to consider the financing of peacekeeping operations (see resolution 49/233). Before taking up the matter, the Committee needed to consider the items already on its agenda. It was therefore necessary to draft the present report after those meetings had adjourned. The Committee commenced its spring meetings on 7 May 2002, and approved its report on strengthening the security and safety of United Nations premises and submitted it for processing on 8 May.

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identified in the course of the security and safety assessment exercise during 2001 and that the related requirements, totalling $3,573,600, were incorporated into the second performance report for the biennium 2000-2001 (ibid., para. 4).

4. The Secretary-General estimates that, during the biennium 2002-2003, one-time costs related to the proposed measures to strengthen the security and safety of United Nations premises would amount to a total of $44,861,400, as follows:

(a) Headquarters — $27,952,000 for the alteration and improvement of existing premises and infrastructure systems, as well as for the acquisition of security-related equipment and other non-recurrent security requirements (ibid., para. 13);

(b) United Nations Office at Geneva — $14,595,200 for alteration and improvement of existing premises and security structures and the acquisition of related equipment (ibid., para. 18);

(c) United Nations Office at Nairobi — $808,400 for alteration and improvement of the security-related structures and the acquisition of security and safety equipment (ibid., para. 27);

(d) Economic Commission for Africa — $346,200 for alteration and improvement of security-related structures and the acquisition of related equipment (ibid., para. 32);

(e) Economic and Social Commission for Asia and the Pacific — $180,200 for alteration and improvement of security-related structures and the acquisition of related equipment (ibid., para. 35);

(f) Economic Commission for Latin America and the Caribbean — $169,200 for alteration and improvement of the physical and security-related structures and acquisition of security-related equipment (ibid., para. 39);

(g) Economic and Social Commission for Western Asia — $810,200 (ibid., para. 43).

5. Additional information on the one-time costs of security-related measures in the area of construction, alteration, improvement and major maintenance is also contained the report (ibid., annex I, paras. 39-45). In the course of its deliberations, the Advisory Committee enquired into the basis on which these estimates were arrived at and was informed that, in a number of instances, the estimates reflect only the magnitude of probable costs (see para. 17 below). **The Advisory Committee is fully cognizant of the importance of improving security arrangements of premises at Headquarters and other United Nations Offices. The Committee trusts, however, that physical security improvements proposed by the Secretary-General, such as security barriers, fences, tents and other structural additions, would not impact adversely upon the architectural integrity of the United Nations premises.**

6. With respect to Headquarters, the Advisory Committee notes from the report (A/56/848, para. 13) that the one-time costs of $27,952,000 include a provision of $17,028,000 for the cost of the security improvements originally envisaged in the capital master plan (A/55/117 and Add.1). The Secretary-General's report also contains cost estimates for security-related projects of the capital master plan, which, it is now proposed, are to be moved forward and implemented without delay

(A/56/848, annex II). The Committee recalls that the Secretary-General, in his report on the capital master plan, pointed out that the United Nations Headquarters complex in New York no longer conforms to current safety, fire and building codes and is deficient in terms of meeting modern-day security requirements.

7. As indicated in the Secretary-General's report (ibid., para. 11 (c) (i)), detection, surveillance and preventive measures at Headquarters would be expanded beyond their current time slots to include weekends and evenings. The Advisory Committee was informed, upon enquiry, that the coverage would be provided by the canine explosive-detection team, the services of which are obtained on a contractual basis. **The Committee trusts, in this connection, that the Secretary-General would explore all alternatives to the current contractual arrangement.**

8. The estimated recurrent costs amount to $12,923,900 for the biennium 2002-2003, the bulk of which is attributable mainly to the proposed increase of 130 posts, resulting in resource growth of $7,410,800 and to increased requirements under general operating expenses ($3,642,900) and contractual services ($1,935,800).

9. Resource growth of $7,410,800 is proposed under posts, reflecting the establishment under the regular budget of 130 new posts during the biennium 2002-2003 for strengthening the implementation of the Secretary-General's measures to strengthen the security and safety of United Nations premises, as follows:

	OCSS	*OHRM*	*UNOG*	*ESCAP*	*ECLAC*	*ESCWA*	*Total*
P-4/3	-	-	1	-	-	-	1
P-2/1	1	-	-	-	-	-	1
General Service (Principal level)	-	-	1	-	-	-	1
General Service (Other level)	13	2	12	-	-	-	27
Local level	-	-	-	30	9	21	60
Security Service	36	-	-	-	-	-	36
Trades and Crafts	4	-	-	-	-	-	4
Total	**54**	**2**	**14**	**30**	**9**	**21**	**130**

10. Moreover, the Advisory Committee notes that the Secretary-General proposes to convert 22 Local level temporary posts utilized for security officers at the United Nations Office at Nairobi into established posts and to establish six posts outside the regular budget, including four temporary posts, for security officers in the Security and Safety Service at the United Nations Office at Vienna, to be financed on a cost-sharing basis by the organizations located at the Vienna International Centre. With regard to the proposed conversion of 22 Local level posts at the United Nations Office at Nairobi, the Committee points out that this proposal is consistent with previous recommendations of the Committee on a related matter (see A/54/7, para. 52).

11. The Advisory Committee notes from the report, that the Secretary-General's proposals reflect, inter alia, the provisions of General Assembly resolution 55/232, whereby the Assembly declared that activities that could compromise the safety and

security of delegations, staff and visitors could not be outsourced (A/56/848, para. 7). The Committee notes that the 65 Local level posts out of the 130 new posts requested for strengthening the security and safety of United Nations premises represent a conversion of work-months currently financed through contractual arrangements and general temporary assistance, as follows:

ESCAP	30 Local level	Reflecting an equal replacement in terms of working time of 20 contractual security personnel currently working a 12-hour shift (A/56/848, annex I, para. 4)
ECLAC	6 Local level	Replacing 4 contractual security officers, currently working a 12-hour shift (ibid., para. 8)
ESCWA	21 Local level	Replacing an equal number of contractual security personnel (ibid., para. 13)
OCSS	8 Local level	Reflecting a conversion to regular status of 8 posts that are currently funded from general temporary assistance (ibid., para. 20)

12. The Advisory Committee sought information on the financial implications for the current biennium of the proposed conversion of the 65 posts reflected in the table above and was informed that the total additional cost would be $1,861,000 (see para. 8 above). The corresponding reductions under contractual services, general temporary assistance and overtime are:

Office	*Object of expenditure*	*Reduction*
ESCAP	Contractual security services	$92 400
	Overtime	$40 000
ECLAC	General operating expenses	$70 000
ESCWA	Contractual security services	$408 900
Department of Management/OCSS (Security and Safety Service)	General temporary assistance	$210 000
	Overtime	$200 000
	Total	$1 021 300

Thus, the net additional cost of the proposed conversion of 65 posts amounts to $839,700 for the biennium 2002-2003.

13. The continuing need for the level of security support to be approved by the General Assembly on the basis of the report of the Secretary-General should be kept under review and reported in the context of the proposed programme budget for the biennium 2004-2005.

14. The report of the Secretary-General contains a proposal for additional requirements of $2.3 million for insuring United Nations premises for the current biennium. These requirements reflect the substantial increase in insurance premiums and certain limitations in the scope of insurance coverage experienced since the events of 11 September 2001. The Committee was provided, upon request, with a

summary note on the property insurance policy covering the period from 1 December 2001 to 1 December 2002, which is contained in the annex to the present report. The Committee intends to revert to the issue of insurance coverage in the context of its further consideration of the Secretary-General's report on the capital master plan.

15. The Secretary-General's report contains information on the role and responsibilities of host countries in providing the required protection to the United Nations (A/56/848, para. 6). The Advisory Committee notes, in particular, that the security of the United Nations at every duty station is primarily the responsibility of the host country. **The Committee stresses, in this connection, the need for the closest collaboration between the United Nations and the appropriate host Government authorities in working out measures necessary to ensure security and safety at United Nations premises.**

16. The Advisory Committee notes from the report that a budgetary provision of $5.6 million would be proposed in the context of the proposed budget for the biennium 2004-2005 in connection with the installation of the intermediate surveillance system at the United Nations Office at Geneva (second phase of the project). The Committee sought information on other budgetary provisions related to strengthening of security and safety of United Nations premises that might be required during the biennium 2004-2005. According to the Secretariat, budgetary provisions (at this stage, uncosted) may be required for:

(a) Delayed impact on the 2004-2005 programme budget of the 130 new posts proposed in the context of the report of the Secretary-General at the standard 50/65 per cent rate of staff costs;

(b) Contractual services: ongoing training activities for security staff; and ongoing testing for biochemical and bioterrorist threats;

(c) General operating expenses: rental charges for premises at Headquarters for back-up Security Control Centre, off-site non-governmental organization resource centre and off-site mail and delivery receiving and processing facility; service contracts for ongoing maintenance and upgrade of the security-related facilities and equipment proposed in the Secretary-General's report; higher costs of insurance of premises;

(d) Improvements and major maintenance of premises: there may be security-related requirements in various duty stations, in particular in the regional commissions, under section 31, for regular ongoing major maintenance and replacement of the security physical structures due to life span (the proposals addressed in A/56/848 cover only the upgrades/expansions of security infrastructures, not regular alterations/maintenance).

On the other hand, one-time requirements detailed in the report, largely under construction, totalling $44,861,400, would not be continued in 2004-2005.

17. As indicated in the Secretary-General's report (ibid., para. 44), the additional appropriation requested would be covered under the provisions contained in General Assembly resolution 41/213, concerning extraordinary expenses, as well as under Assembly resolution 42/211. Accordingly, in the view of the Secretary-General, the additional requirements of $57,785,300 (net of staff assessment) should be treated

outside the procedures relating to the use and operation of the contingency fund. The Advisory Committee concurs with this analysis.

18. The Secretary-General's report outlines the action to be taken by the General Assembly (ibid., para. 45). **Taking into account its comments, observations and recommendations in the paragraphs above, the Advisory Committee recommends that the Assembly appropriate the amount of $57,785,300 (net of staff assessment) for the biennium 2002-2003 for the implementation of the measures contained in the report of the Secretary-General to strengthen the security and safety of United Nations premises. The Committee cautions that any additional appropriation that the Assembly may wish to authorize in connection with the Secretary-General's report should be used strictly for the purposes for which the appropriation was authorized, that is, the security-related projects indicated in that report.**

19. **The Advisory Committee recommends that the question of any additional assessment that may be required in connection with strengthening the security and safety of United Nations premises should be considered by the General Assembly in the context of its review of the first performance report on the programme budget for the biennium 2002-2003.**

20. **The Advisory Committee further recommends that the one-time provision of $44,861,400 proposed by the Secretary-General for upgrading the physical and security infrastructures be placed in a separate account to be administered in a manner similar to that in effect for accounts established for construction projects. In this connection, the Secretary-General should, on a regular basis, prepare progress reports on the implementation of measures related to strengthening the security and safety of United Nations premises, which should contain updated detailed cost estimates, as well as performance data relating to the measures approved by the General Assembly on the basis of the report of the Secretary-General (A/56/848).**

Annex

Note on the property insurance policy for the period from 1 December 2001 to 1 December 2002

1. When the United Nations property insurance policy for 2000-2001 expired, the lead underwriter, "Allianz", which had insured the United Nations Headquarters property for a number of years, chose to exercise its cancellation right and not to renew the policy under expiring terms and conditions.

2. The United Nations faced great difficulties in negotiating a new policy, largely due to unfavourable perception of the United Nations risk. In addition, the market conditions following the events of 11 September were very difficult, with stricter conditions of coverage, higher deductibles and soaring premiums. In the light of these developments and given imminent expiry of the policy, the United Nations has decided to follow the advice of insurance experts and vigorously seek best terms and conditions from the existing underwriters rather than attempt to tender property risks to the markets at large.

3. The renewal terms are significantly less favourable than the expiring policy, and the United Nations premium has been increased. Instead of one policy, the coverage has been split between Allianz and followers (81.5 per cent) and the London market (18.5 per cent), and two separate policies have been issued. The term of the new policies is one year.

4. Given the fact that Allianz and followers cover only 81.5 per cent of the total risk, the United Nations had to identify other underwriters to cover the remaining risk. That was an exhaustive process covering all significant insurance markets. Finally, the remaining 18.5 per cent of the risk had to be placed on London/Lloyd's market, which, although unfavourable, was the only option to secure the balance of the risk. London/Lloyd's has agreed to a joint claims adjustment arrangement with Allianz in the event of a loss. The renewal of the policy under these conditions was approved by the Headquarters Committee on Contracts on 30 November 2001.

5. The policies will cover the reported buildings and contents, and also the "time element", such as some aspects of extra expense (e.g., leasing another space if an existing building is damaged through a peril insured under the policy), or loss of rent (e.g., if a building is damaged through the period insured under the policy and the rent from tenants is foregone). Among significant perils specifically excluded from coverage are terrorism, as well as boiler and machinery breakdown.

6. Both policies have an overall limit of $375 million per occurrence (significantly lower than the value of the largest single property). Allianz quoted $50,000 deductible for each and every loss (except $250,000 for flood, earthquake and volcanic eruption). There is a sublimit of $5 million for flood and earthquake, except for certain overseas locations (Ethiopia and Chile), where additional sublimits up to $25 million were purchased. Lloyd's share of the risk is subject to a $500,000 deductible for each and every loss.

7. Although the property insurance policy for the period from 1 December 2001 to 1 December 2002 has been finalized, improvements on the United Nations Headquarters complex remain an urgent issue to be addressed. One of the consequences of the upheaval in the insurance markets, regarding property in

particular, is that insurers are far more demanding than before in their underwriting standards and requirements, rejecting risks that, pre-11 September, could easily have been ignored. The fact that the United Nations Headquarters complex does not conform to present-day fire safety standards puts the United Nations at a disadvantage in setting terms.